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Letter dated 27 February 2012 from the Permanent Representative of Germany to the United Nations addressed to the Secretary-General

I have the honour to inform you that Germany organized a conference entitled "Contributions of Forests to a Green Economy", which was held in Bonn, Germany from 4 to 7 October 2011.

The key objective of the conference as a United Nations Forum on Forests country-led initiative was to provide conclusions and recommendations on how to realize the potential of forests in building a green economy as a contribution to the preparatory process for the United Nations Conference on Sustainable Development (Rio+20) in Rio de Janeiro, Brazil, in June 2012 and the tenth session of the United Nations Forum on Forests in Istanbul, Turkey in April 2013.

I should be grateful if you would circulate the attached Co-chairs' summary of the conference as an official document of the tenth session of the Forum. The Secretary-General of the United Nations Conference on Sustainable Development has also received a copy with a request to circulate the summary to participants of the preparatory process for the Rio+20 Conference.

(*Signed*) Peter **Wittig**
Ambassador
Permanent Representative of Germany

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Country-led initiative "Contribution of Forests to a Green Economy"
4 to 7 October 2011
Bonn, Germany

Summary by the Co-chairs

I. Introduction

1. "The three Gs of Global Green Growth must respond to social, economic and environmental challenges equally. Because we live in an era of three Fs: crises in Food, Fuel and Finance. So we need to enhance the three Es: the Economy, the Environment and global Equity." (Secretary-General, 11 October 2011, on the occasion of the Global Green Growth Forum in Copenhagen).

2. The conference "Contributions of Forests to a Green Economy", a country-led initiative in support of the United Nations Forum on Forests, was held from 4 to 7 October 2011 in Bonn, Germany. The conference was hosted by Germany and co-sponsored by Austria and Finland. More than 100 representatives from Governments, international and regional organizations, and major civil society groups from over 45 countries attended.

3. The conference was co-chaired by Manfred Konukiewitz, Deputy Director General, Global and Sectoral Policies, German Federal Ministry for Economic Cooperation and Development, and Everton Vieira Vargas, Ambassador of Brazil to Germany.

4. The key objective of the conference was to provide conclusions and recommendations on how to realize the potential of forests in building a green economy as a contribution to the preparatory process for the United Nations Conference on Sustainable Development (Rio+20) and the tenth session of the United Nations Forum on Forests.

5. The present summary highlights the main issues discussed and the main findings of the conference. It describes the general perceptions of the participants, but does not imply that a consensus was reached on all elements of the summary, for which the Co-chairmen take full responsibility. For a more detailed reflection of the discussion, the conference proceedings can be consulted at www.un.org/esa/forests/gov-unff.html.

II. Main findings of the Conference

A. Forests and their key role in transitioning to a green economy

6. Forests are highly significant in achieving a transition towards a green economy, which would contribute to sustainable development and the Millennium Development Goals.

7. Forests are critical for human well-being and poverty reduction across landscapes and economic sectors. They provide a variety of goods and services that are essential for long-term social and economic development and the reduction of environmental risks and ecological scarcities. They also provide income and subsistence to hundreds of millions of people. The livelihoods of over 1.6 billion people depend on forest goods and services.

8. Wood and manufactured forest products and non-timber forest products add significant value to the world economy. A value-adding and competitive forest sector provides employment and therefore significantly contributes to livelihoods and poverty eradication, especially in rural areas. To be sustainable and competitive, the forest sector must develop its inherent potential to further improve its efficiency in using natural resources and at the same time reduce its ecological footprint in terms of effluents, emissions and waste. Green investments in the forest sector provide safe and long-term rates of returns along with the multiple co-benefits relating to climate, biodiversity, protective functions related to soil, water and flood control, as well as employment. These investments could also play a role in assisting countries to recover from the current financial crisis.

B. Significant progress since the 1992 United Nations Conference on Environment and Development

9. The world has changed dramatically since 1992 — politically, environmentally, economically, culturally, and in the area of communication technology. The present financial crisis offers opportunities for a transition towards more sustainable economies. Changes towards open, inclusive governance and the availability of new information and communication technologies are coming together to provide possibilities for informed choices by policymakers, citizens, consumers and producers. The perceptions and vision of forests have also changed as forest values and their contributions to sustainable development have become more visible. These changes provide opportunities for conserving and sustainably using forests as a key element of a green economy.

10. Significant progress has been made at the national, regional and international levels in enhancing the contribution of forests to long-term sustainable development. There is better and wider understanding of sustainable forest management and there now is agreement on the non-legally binding instrument on all types of forests as a comprehensive instrument containing the Global Objectives on Forests. In addition, forest-related issues have been integrated into the work of several multilateral environmental agreements, including the three Rio Conventions: the United Nations Framework Convention on Climate Change, the Convention on Biological Diversity and the United Nations Convention to Combat Desertification. Concrete areas of progress also include community-based forest management, expansion of protected forest areas, increase in afforestations, forest science and monitoring, and the participation of stakeholders in international deliberations relating to forests.

11. Progress has also been made in terms of forest law enforcement, governance and related trade and in applying voluntary market-based mechanisms. The importance of forests in mitigating and adapting to climate change and in hosting the vast majority of terrestrial biodiversity is increasingly acknowledged. Some

countries have shown how forests can become a centrepiece in the transition towards a green economy.

12. A new paradigm for international cooperation has emerged, encompassing South-South, triangular and North-South cooperation among Governments and with the private sector, harnessing existing abilities and building capacities that increasingly take into account the perspectives and needs of developing countries.

C. Forests for the future

13. The emerging green economy provides a unique opportunity for attaining the full potential of forests for social and economic development, as well as resilience against environmental risks and disasters. With their products and services, forests have the potential to contribute to overcoming some of today's global challenges, such as poverty and hunger, water scarcity, the need for employment, renewable energy, resource efficiency and a low-carbon economy, climate change and biodiversity loss. However, realizing this potential requires innovative policies and market solutions that assign appropriate value to the variety of benefits provided by forests and that present forests as investment-worthy assets in the economic system. Investments in forests and forest restoration as well as innovation in forest-based production are important elements of a green economy.

D. Limitations

14. According to the *Global Forest Resources Assessment 2010* of the Food and Agriculture Organization of the United Nations (FAO), in the past decade around 13 million hectares of forest were converted to other uses or lost through natural causes each year, compared with 16 million hectares in the 1990s. There is increasing competition for land and, to the detriment of forests, the current economic system favours short-term economic benefits over long-term sustainable investments. The economic values of forest goods and services are not fully accounted for or adequately reflected in the market and in Government decision-making processes. There is increasing and competing demand for forest products and services, food and raw materials owing to increases in the world's population and changing consumption patterns, which are likely to exacerbate the current pressures on forests in the next few decades. Sustainable forest management is a key to addressing these challenges.

E. Unleashing the potential of forests

15. The emergence of a green economy provides an opportunity for the development of policy frameworks and market instruments that effectively curb deforestation and forest degradation and unleash the full potential of forests to contribute to long-term sustainable development. Key areas of action include institutions, governance and stakeholders; forest valuation and financing; human benefits; and bio-based products and the private sector.

1. Institutions, governance and stakeholders

16. The green economy and forests cut across sectors. There is a need to overcome the fragmentation of sectors and institutions dealing with forests. Setting comprehensive, cross-sectoral and cross-institutional policies can assist in this task. National circumstances, priorities and capabilities need to be taken into account. In doing so, countries could follow a gradual and transparent approach involving all stakeholders in order to build trust and confidence.

17. The green economy provides an opportunity for all countries to enhance strengths, fill gaps and improve functionality in forest-related legal frameworks and governance practices that link protection and use of forest ecosystems, the livelihoods of local communities and indigenous peoples, and small to large investments and other issues.

18. Further action is needed as follows:

- Expand the forest policy perspective in order to achieve a more holistic approach to forests by taking into account environmental, social and economic dimensions
- Strive for better inter-agency coordination and planning and build networks and partnerships across sectors and institutions
- Raise the political profile of forests and integrate forests and forestry into national plans and strategies for sustainable development in an inclusive and participatory way, including by addressing the role of young people and gender; equitable tenure systems; landowner and community associations; the need for effective legal and institutional frameworks and for anti-corruption measures; the role of science and information and communication technologies
- Create enabling conditions and capacity to expand access to information and communication technologies and geospatial technology services to rural and underserved areas in order to support transparent and participatory decision-making about natural resources
- Enhance coordination among international organizations by strengthening the work of the Collaborative Partnership on Forests and its members
- Take full advantage of the review of the effectiveness of the international arrangement on forests in 2015.

2. Forest valuation and financing

19. Forests provide a variety of goods and services that are key assets in a green economy. Mainstreaming forest values in national policymaking decisions can help to transform national economic policies towards a green economy in the context of poverty eradication and sustainable development. However, there is an urgent need to raise the awareness of policymakers and general society about the potential of forests for employment, water, climate, biodiversity, energy, food security, disaster risk reduction, rural development and contributing to GDP. To maximize the contribution of forests, there is a need to make use of existing opportunities and to address gaps in areas such as the valuation of forest goods and services and the inclusion of forest values in national accounting systems, communication and information exchange as well as related capacities.

20. Further action is needed as follows:

- Provide and share information, experiences and tools regarding the valuation of forest goods and services, including the informal sector contribution, and their inclusion in national accounting systems; build relevant capacities, including human capacities, for country-specific applications, involving academia, civil society, the business sector and the private sector
- Tap REDD+ financing to maximize the contributions of forests to a green economy, taking into account the special circumstances of small island developing States and low forest cover countries
- Promote fiscal reforms to stimulate the transformation to a green economy, taking into account the national circumstances of countries
- Promote the development and use of payments for ecosystem services related to forests
- Initiate a comprehensive assessment of available knowledge regarding the valuation of forest goods and services in practice.

3. Human benefits

21. Benefiting people is one of the guiding principles and main characteristics of a green economy. Forests supply a full range of benefits, whether environmental (water and carbon sequestration), social (cultural importance and shelter), or economic (income and employment). They provide a unique and, in many cases, the only opportunity to sustainably generate income and employment and thus reduce poverty, especially for forest-dependent indigenous peoples and local communities living in economically disadvantaged and rural regions in all countries.

22. Further action is needed as follows:

- Enhance the involvement of forest right-holder groups such as local communities, indigenous peoples, land or forest owners and other stakeholders by developing and implementing a legal and policy framework for participation in decision-making regarding forests and in the design of mechanisms for sharing benefits from specific forest products and services
- Research and develop clear models of benefit-sharing
- Create employment and generate income from forest products and services at the local level
- Recognize local and customary practices in law or in policy and take them into account in the practice of sustainable forest management
- National Governments should explore options to develop clear and appropriate forest tenure arrangements that benefit people
- Encourage Governments, donors, foundations and non-governmental organizations to channel resources to local stakeholders to improve knowledge management, organization, capacity-building and technical assistance
- Develop and implement national and regional communication strategies regarding the role of forests in a green economy, targeting all relevant stakeholders across sectors

- Fully implement international commitments regarding the respect for and the preservation and maintenance, application and sharing of benefits from traditional forest-related knowledge and implement the principle of free, prior and informed consent, as established in the United Nations Declaration on the Rights of Indigenous Peoples.

4. Bio-based products and the private sector

23. Forests provide multiple renewable resources and, as a result, the forest sector is in a position to satisfy growing and changing markets, especially for food, feed, fibre, fuel and shelter, or bio-based products originating from biological renewable resources and ecosystem services.

24. The forest sector has made significant progress in improving the management of forests and production processes and in demonstrating to markets the progress made through voluntary forest certification and chain of custody verification. However, more work is needed to ensure a level playing field between different products and/or regions, consistent and in harmony with relevant international obligations, and to expand green markets through increased willingness to pay for green products; better access to market information; and increased consumer awareness. Innovation in forest management, process technologies and new forest and bio-based products can respond to the needs of growing and changing markets and society's expectations.

25. Further action is needed as follows:

- Ensure that the tools used to enhance and demonstrate the sustainability of forest management and production processes guarantee fair competition with other resource-based sectors and fair trade between countries and do not constitute non-tariff barriers to trade
- Promote public-private partnerships to strengthen dialogue and the flow of information between science and practice along the whole value chain
- Dedicate seed funds from the public and/or private sector in order to (a) help local communities to develop businesses and gain access to markets and; (b) support pre-competitive research and development for innovation
- Ensure transparency of value chains and markets for forest products and services
- Promote the potential of harvested wood products as long-term carbon storage and as a substitute for other less climate-or environmental-friendly materials.

F. Cross-cutting issues

26. The following cross-cutting issues deserve particular attention when taking action towards increasing the contributions of forests to a green economy:

- Mainstreaming gender in all forest policies and programmes at the national and international levels
- Promoting international cooperation in research, development, transfer and diffusion of technology

- Mobilizing new and additional financial resources from all sources for the implementation of sustainable forest management
- Promoting capacity development, in particular for developing countries and local communities
- Enhancing the participation and active involvement of all relevant stakeholders in decision-making and implementation
- Further strengthening international cooperation on assessment and monitoring of forests and products and the services they provide
- Acknowledging and supporting international stakeholder-led initiatives towards a better contribution of forests to a green economy.